

Message Text

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22

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 FRB-01 /108 W

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R 122030Z MAY 76

FM AMCONSUL CALGARY

TO SECSTATE WASHDC 1657

INFO AMEMBASSY OTTAWA

UNCLAS CALGARY 199

E.O. N/A

TAGS: ENRG, CA

SUBJ: ALBERTA GOVERNMENT LOANS TO SYNCRODE PARTNERS

REF: CALGARY'S A-55, MAY 3, 1976

THE ALBERTA TREASURY HAS COMPLETED 200 MILLION DOLLARS IN
LOANS TO TWO OF THE SYNCRODE PARTNERS, CANADA CITIES
SERVICES LTD. AND GULF OIL CANADA LTD.

IN TABLING THE LOAN DOCUMENTS IN THE LEGISLATURE THURSDAY,
PROVINCIAL TREASURER MERV LEITCH SAID THE 100 MILLION DOLLAR
LOAN TO GULF OIL CARRIES INTEREST RATES OF 8-1/8 PERCENT,
WHILE CITIES SERVICES WILL BE CHARGED 8-3/8 PER CENT FOR
ITS 100 MILLION DOLLARS.

UNDER THE TERMS OF THE AGREEMENT, REACHED IN PRINCIPLE IN
WINNIPEG LAST YEAR, THE GOVERNMENT HAS FIVE YEARS AFTER
SYNCRODE BEGINS PRODUCTION TO EXERCISE AN OPTION TO TAKE
REPAYMENT IN EQUITY IN THE PROJECT. IF THE GOVERNMENT DOES
EXERCISE THIS OPTION, THE INTEREST ON THE LOANS THAT ACCRUES
DURING CONSTRUCTION WILL BE REFUNDED TO THE COMPANIES.

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NOTE: THE DIFFERENCE IN INTEREST RATES REPORTEDLY IS DUE

TO THE STANDING OF COMPANIES IN THE WORLD MONEY MARKET, WITH
GULF ENJOYING A SLIGHTLY BETTER CREDIT RATING THAN CITIES
SERVICE.
HALL

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Message Attributes

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